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Lai Group Holding Company Limited

禮建德集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8455)

HIGH CONCENTRATION OF SHAREHOLDING

This announcement is made at the request of the Stock Exchange in respect of the concentration of the shareholding of the Company in the hands of a limited number of Shareholders as at 13 November 2017.

In view of the high concentration of shareholding in a small number of Shareholders, Shareholders and prospective investors should be aware that the price of the Shares could fluctuate substantially even with a small number of Shares traded, and should exercise extreme caution when dealing in the Shares.

This announcement is made at the request of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) in respect of the concentration of the shareholding of Lai Group Holding Company Limited (the “**Company**”) in the hands of a limited number of shareholders of the Company (the “**Shareholders**”) as at 13 November 2017.

HIGH CONCENTRATION OF SHAREHOLDING

The Company noted that an announcement has been published by the Securities and Futures Commission (the “**SFC**”) on 22 November 2017 (the “**SFC Announcement**”).

As disclosed in the SFC Announcement, the SFC has recently completed an enquiry into the shareholding of the Company. The SFC’s findings indicated that as at 13 November 2017, 17 Shareholders held an aggregate of 138,180,000 shares of the Company (the “**Shares**”), representing approximately 17.27% of the issued Shares. Such shareholding, together with an aggregate of 600,000,000 Shares (representing 75% of the issued Shares) held by a controlling shareholder, namely Chun Wah Limited, represented 92.27% of the issued Shares as at 13 November 2017. Therefore, only an aggregate of 61,820,000 Shares (representing 7.73% of the issued Shares) were held by other Shareholders.

As disclosed in the SFC Announcement, the shareholding structure of the Company as at 13 November 2017 was as follows:

	Number of Shares held (Shares)	% of total number of issued Shares (%)
Chun Wah Limited (<i>Note 1 and 2</i>)	600,000,000	75.00
A group of 17 shareholders	138,180,000	17.27
Other shareholders	61,820,000	7.73
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Total	<u>800,000,000</u>	<u>100.00</u>

Note 1: Chun Wah Limited is beneficially and wholly owned by Mr. Chan Lai Sin (the chairman and executive director of the Company).

Note 2: According to the Disclosure of Interests records of Chun Wah Limited, after the enquiry into the shareholding of the Company by the SFC, Chun Wah Limited sold 1,160,000 Shares (i.e. 0.15% of issued Shares) at an average price of HK\$3.29 per Share on 13 November 2017. Subsequently on 14 November 2017, Chun Wah Limited further sold 630,000 Shares (i.e. 0.08% of issued Shares) at an average price of HK\$1.70 per Share. After its selling on 13 November 2017 and 14 November 2017, Chun Wah Limited held a total of 598,210,000 Shares (i.e. 74.78% of issued Shares).

As disclosed in the SFC Announcement:

- (A) The Company was listed on the Growth Enterprise Market of the Stock Exchange on 12 April 2017 by way of share offer of a total of 200,000,000 Shares, representing 25% of the issued Shares, at HK\$0.26 per Share. Out of the 200,000,000 Shares, 60,000,000 Shares were offered under public offer and the remaining 140,000,000 Shares were offered under placing. On the first day of listing, the Shares closed at HK\$0.27, which was 3.85% higher than the offer price of HK\$0.26 per Share.
- (B) During the period from 13 April 2017 to 2 November 2017, the closing price of the Shares increased 48.15% from HK\$0.27 on 12 April 2017 to HK\$0.40 on 2 November 2017.
- (C) During the period from 3 November 2017 to 13 November 2017, the closing price of the Shares further increased 440.0% from HK\$0.40 on 2 November 2017 to reach a high of \$2.16 on 13 November 2017, which was 7 times higher than the initial offer price of \$0.26 per Share. During this period, on 10 November 2017, the Company published its interim results for the six months ended 30 September 2017. It reported a profit and total comprehensive income attributable to the owners of the Company of HK\$3.06 million which represented an increase of 3.59% as compared to the corresponding period of last year.
- (D) The Company published the following announcement:

On 13 November 2017 after market close, the Company announced that it has noted there were articles alleging the change in composition of the Board (the “**Board**”) of directors (the “**Directors**”) of the Company being disseminated on the internet. The Company clarified that the internet rumour was untrue and irresponsible, and the Company has no current intention to change the composition of the Board.

(E) As at 21 November 2017, the Shares closed at HK\$1.68, which was 5 times higher than the offer price of HK\$0.26 per Share.

The Board wishes to clarify that the above information is extracted from the SFC Announcement and that the Board has not verified such information. Accordingly, the Board is not in a position to comment on the accuracy of the information above except for (i) the shareholding of Chun Wah Limited set out in the table above; and (ii) the information set out in paragraphs (A) to (E) above. Please refer to the SFC Announcement for more information.

PUBLIC FLOAT

Based on the information available and to the best knowledge of the Board after making all reasonable enquiries, the Company confirms that not less than 25% of the issued Shares are held in public hands as at 13 November 2017 and the date of this announcement and the Company has maintained a sufficient public float as required under the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange.

In view of the high concentration of shareholding in a small number of Shareholders, Shareholders and prospective investors should be aware that the price of the Shares could fluctuate substantially even with a small number of Shares traded, and should exercise extreme caution when dealing in the Shares.

By order of the Board
Lai Group Holding Company Limited
Chan Lai Sin
Chairman and Executive Director

Hong Kong, 22 November 2017

As at the date of this announcement, the Board comprises Mr. Chan Lai Sin, Mr. Hung Lap Ka and Ms. So Hiu Bik as executive Directors; Mr. Kwan Ngai Kit, Ms. Lui Lai Chun and Mr. Wu Loong Cheong Paul as independent non-executive Directors.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange for the purpose of giving information with regard to the Company. The Directors having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the website of the Stock Exchange at www.hkexnews.hk on the "Latest Information" page for at least 7 days from the date of its posting and will be published on the Company's website at www.dic.hk.